

211 CMR 31.00: LIFE INSURANCE SOLICITATION

Section

- 31.01: Authority
- 31.02: Purpose
- 31.03: Scope
- 31.04: Definitions
- 31.05: Disclosure Requirements
- 31.06: General Rules
- 31.07: Failure to Comply
- 31.08: Effective Date

31.01: Authority

211 CMR 31.00 is adopted and promulgated by the Commissioner of Insurance pursuant to M.G.L. c. 176D.

31.02: Purpose

- (1) The purpose of 211 CMR 31.00 is to require insurers to deliver to purchasers of life insurance information which will improve the buyer's ability to select the most appropriate plan of life insurance for his needs, improve the buyer's understanding of the basic features of the policy which has been purchased or which is under consideration and improve the ability of the buyer to evaluate the relative costs of similar plans of life insurance.
- (2) 211 CMR 31.00 does not prohibit the use of additional material which is not in violation of 211 CMR 31.00 or any other state statute or regulation.

31.03: Scope

- (1) Except as hereafter exempted, 211 CMR 31.00 shall apply to any solicitation, negotiation or procurement of life insurance occurring within this state. 211 CMR 31.00 shall apply to any issuer of life insurance contracts including fraternal benefit societies.
- (2) Unless otherwise specifically included, 211 CMR 31.00 shall not apply to:
 - (a) Annuities
 - (b) Credit life insurance
 - (c) Group life insurance
 - (d) Life insurance policies issued in connection with pension and welfare plans as defined by and which are subject to the federal Employee Retirement Income Security Act of 1974 (ERISA).
 - (e) Variable life insurance under which the death benefits and cash values vary in accordance with unit values of investments held in a separate account.

31.04: Definitions

For the purpose of 211 CMR 31.00, the following definitions shall apply:

Buyer's Guide. A Buyer's Guide is a document which contains, and is limited to, the language contained in the Appendix to 211 CMR 31.00 or language approved by the Commissioner of Insurance.

Cash Dividend. A Cash Dividend is the current illustrated dividend which can be applied toward payment of the gross premium.

Equivalent Level Annual Dividend. The Equivalent Level Annual Dividend is calculated by applying the following steps:

- (a) Accumulate the annual cash dividends at 5% interest compounded annually to the end of the tenth and 20th policy years.

31.04: continued

(b) Divide each accumulation of Step (a) by an interest factor that converts it into one equivalent level annual amount that, if paid at the beginning of each year, would accrue to the values in Step (a) over the respective periods stipulated in Step (a). If the period is ten years, the factor is 13.207 and if the period is twenty years, the factor is 34.719.

(c) Divide the results of Step (b) by the number of thousands of the Equivalent Level Death Benefit to arrive at the Equivalent Level Annual Dividend.

(4) Equivalent Level Death Benefit. The Equivalent Level Death Benefit of a policy or term life insurance rider is an amount calculated as follows:

(a) Accumulate the guaranteed amount payable upon death, regardless of the cause of death, at the beginning of each policy year for ten and 20 years at 5% interest compounded annually to the end of the tenth and 20th policy years, respectively.

(b) Divide each accumulation of Step (a) by an interest factor that converts it into one equivalent level annual amount that, if paid at the beginning of each year, would accrue to the value in Step (a) over the respective periods stipulated in Step (a). If the period is ten years, the factor is 13.207 and if the period is 20 years, the factor is 34.719.

(5) Generic Name. Generic Name means a short title which is descriptive of the premium and benefit patterns of a policy or rider.

(6) Life Insurance Cost Indexes.

(a) Life Insurance Surrender Cost Index. The Life Insurance Surrender Cost Index is calculated by applying the following steps:

1. Determine the guaranteed cash surrender value, if any, available at the end of the tenth and 20th policy years.

2. For participating policies, add the terminal dividend payable upon surrender, if any, to the accumulation of the annual Cash Dividends at five per cent interest compounded annually to the end of the period selected and add this sum to the amount determined in Step 1.

3. Divide the result of Step 2. (Step 1. for guaranteed-cost policies) by an interest factor that converts it into an equivalent level amount that, if paid at the beginning of each year, would accrue to the value in Step 2. (Step 1. for guaranteed-cost policies) over the respective periods stipulated in Step 1. If the period is ten years, the factor is 13.207 and if the period is 20 years, the factor is 34.719.

4. Determine the equivalent level premium by accumulating each annual premium payable for the basic policy or rider at five per cent interest compounded annually to the end of the period stipulated in Step 1. and dividing the result by the respective factors stated in Step 3. (this amount is the annual premium payable for a level premium plan).

5. Subtract the result of Step 3. from Step 4.

6. Divide the result of Step 5. by the number of thousands of the Equivalent Level Death Benefit to arrive at the Life Insurance Surrender Cost Index.

(b) Life Insurance Net Payment Cost Index. The Life Insurance Net Payment Cost Index is calculated in the same manner as the comparable Life Insurance Cost Index except that the cash surrender value and any terminal dividend are set at zero.

(7) Policy Summary. For the purpose of 211 CMR 31.00, Policy Summary means a written statement describing the elements of the policy including but not limited to:

(a) A prominently placed title as follows:

STATEMENT OF POLICY COST AND BENEFIT INFORMATION.

(b) The name and address of the insurance agent, or, if no agent is involved, a statement of the procedure to be followed in order to receive responses to inquiries regarding the Policy Summary.

(c) The full name and home office or administrative office address of the company in which the life insurance policy is to be or has been written.

(d) The Generic Name of the basic policy and each rider.

31.04: continued

(e) The following amounts, where applicable, for the first five policy years and representative policy years thereafter sufficient to clearly illustrate the premium and benefit patterns, including, but not necessarily limited to, the years for which Life Insurance Cost Indexes are displayed and at least one age from 60 through 65 or maturity whichever is earlier:

1. The annual premium for the basic policy
2. The annual premium for each optional rider.
3. Guaranteed amount payable upon death, at the beginning of the policy year regardless of the cause of death other than suicide, or other specifically enumerated exclusions, which is provided by the basic policy and each optional rider, with benefits provided under the basic policy and each rider shown separately.
4. Total guaranteed cash surrender values at the end of the year with values shown separately for the basic policy and each rider.
5. Cash Dividends at current scale payable at the end of the year with values shown separately for the basic policy and each rider. (Dividends need not be displayed beyond the 20th policy year.)
6. Guaranteed endowment amounts payable under the policy which are not included under guaranteed cash surrender values above.

(f) The effective policy loan annual percentage interest rate, if the policy contains this provision, specifying whether this rate is applied in advance or in arrears. If the policy loan interest rate is variable, the Policy Summary shall state the maximum annual percentage rate.

(g) Life Insurance Cost Indexes for ten and 20 years but in no case beyond the premium paying period. Separate indexes are displayed for the basic policy and for each optional term life insurance rider. Such indexes need not be included for optional riders which are limited to benefits such as accidental death benefits, disability waiver of premium, preliminary term life insurance coverage of less than 12 months and guaranteed insurability benefits nor for the basic policies or optional riders covering more than one life.

(h) The Equivalent Level Annual Dividend, in the case of participating policies and participating optional term life insurance riders, under the same circumstances and for the same durations at which Life Insurance Cost Indexes are displayed.

(i) A Policy Summary which includes dividends shall also include a statement that dividends are based on the company's current dividend scale and are not guaranteed, in addition to a statement in close proximity to the Equivalent Level Annual Dividend is included in the Life Insurance Buyer's Guide.

(j) A statement in close proximity to the Life Insurance Cost Indexes as follows: An explanation of the intended use of these indexes is provided in the Life Insurance Buyer's Guide.

(k) The Date on which the Policy Summary is prepared.

The Policy Summary must consist of a separate document. All information required to be disclosed must be set out in such a manner as to not minimize or render any portion thereof obscure. Any amounts which remain level for two or more years of the policy may be represented by a single number if it is clearly indicated what amounts are applicable for each policy year. Amounts in item 5 of 211 CMR 31.04 shall be listed in total, not on a per thousand nor per unit basis. If more than one insured is covered under one policy or rider, guaranteed death benefits shall be displayed separately for each insured or for each class of insureds if death benefits do not differ within the class. Zero amounts shall be displayed as zero and shall not be displayed as a blank space.

(8) Preliminary Policy Summary -- For the purposes of 211 CMR 31.00, Preliminary Policy Summary means a written statement describing the elements of the policy including but not limited to:

(a) A prominently placed title as follows:

PRELIMINARY STATEMENT OF POLICY COST.

31.04: continued

(b) A prominently placed paragraph as follows:

"The purpose of this Preliminary Statement of Policy Cost and the Buyer's Guide is to provide information which will help you decide how much life insurance you should buy, improve your ability to select the most appropriate plan of insurance for your needs, improve your understanding of the basic features of the policy which has been purchased or which is under consideration, and improve your ability to evaluate the relative costs of similar plans of insurance."

(c) The name and address of the insurance agent, or, if no agent is involved, a statement of the procedure to be followed in order to receive responses to inquiries regarding the Preliminary Policy Summary.

(d) The full name and home office or administrative office address of the company in which the life insurance policy is to be written.

(e) The Generic Name of the basic policy and each optional term life insurance rider.

(f) The name, sex and age of the proposed insured.

(g) The initial amount of insurance provided under the basic policy and under each optional term life insurance rider, shown separately for the basic policy and for each such rider.

(h) The initial annual premium, shown separately for the basic policy and for each optional term life insurance rider.

(i) Life Insurance Cost Indexes for the basic policy, for ten and 20 years but in no case beyond the premium paying period.

(j) The Equivalent Level Annual Dividend for the basic policy, in the case of participating policies, under the same circumstances and for the same durations at which Life Insurance Cost Indexes are displayed.

(k) A Preliminary Policy Summary which includes the Equivalent Level Annual Dividend shall also include a statement that it is based on the company's current dividend scale, which is not guaranteed, in addition to a statement in close proximity to the Equivalent Level Annual Dividend as follows:

An explanation of the intended use of the Equivalent Level Annual Dividend is provided in the Life Insurance Buyer's Guide.

(l) A Statement in close proximity to the Life Insurance Cost Indexes as follows: An explanation of the intended use of these indexes is provided in the Life Insurance Buyer's Guide.

(m) The date on which the Preliminary Policy Summary is prepared.

(n) A statement as follows:

PLEASE NOTE: When the policy is issued, you will be given a complete Policy Summary, including cost data, which will be based on the benefits, premiums, and dividends of the policy as issued. The figures shown in this Preliminary Statement of Policy Cost are based on the assumption that the proposed policy is issued as applied for. Adjustments will be necessary if the policy is actually issued on some other basis.

31.05: Disclosure Requirements

(1) (a) For life insurance marketed through an insurance agent, the insurer shall provide, to all prospective purchasers, a Buyer's Guide and a Preliminary Policy Summary before the application is signed, and a Policy Summary prior to accepting the applicant's initial premium or premium deposit; provided, however, that if the policy for which application is made contains an unconditional refund provision of at least ten days or if the Policy Summary contains such an unconditional refund offer, the Policy Summary must be delivered with the policy or prior to delivery of the policy.

(b) For life insurance not marketed through an insurance agent, the insurer shall:

1. provide, to all prospective purchasers, a Buyer's Guide and a Policy Summary prior to accepting the applicant's initial premium or premium deposit, unless the policy for which application is made contains an unconditional refund provision of at least 30 days or unless the Policy Summary contains such an unconditional refund offer, in which event the Buyer's Guide and Policy Summary must be delivered with the policy or prior to delivery of the policy; and
2. alert all prospective purchasers, in advertisements or direct-mail solicitations, of their right to obtain a Buyer's Guide and a Policy Summary prior to delivery of the policy.

31.05: continued

(c) In other instances where it is impracticable to prepare a Preliminary Policy Summary before the application is signed (*e.g.*, adjustable life insurance), the Commissioner may impose alternative disclosure requirements in lieu of requiring insurers to provide a Preliminary Policy Summary.

PRELIMINARY STATEMENT OF POLICY COST

The purpose of this Preliminary Statement of Policy Cost and the Buyer's Guide is to provide information which will help you decide how much life insurance you would buy, improve your ability to select the most appropriate plan of insurance for your needs, improve your understanding of the basic features of the policy which has been purchased or which is under consideration, and improve your ability to evaluate the relative costs of similar plans of insurance.

BASIC POLICY		
Description	Initial Amount of Insurance	Initial Annual Premium
_____	_____	_____
Life Insurance Surrender Cost Index at 5%	Life Insurance Net Payment Cost Index at 5%	Equivalent Level Annual Dividend at 5%
_____	_____	_____
10 years		
20 years		

An explanation of the intended use of these indexes and the Equivalent Level Annual Dividend is provided in the Life Insurance Buyer's Guide. The description of the coverage is general. A complete statement of coverage is found only in the policy.

The Equivalent Level Annual Dividend is based on the company's current dividend scale, which is not guaranteed.

RIDER(S)

Description	Initial Amount of Insurance	Initial Annual Premium
_____	_____	_____
_____	_____	_____
_____	_____	_____

PLEASE NOTE: When the policy is issued, you will be given a complete Policy Summary, including cost data, which will be based on the benefits, premiums, and dividends of the policy as issued. The figures shown in this Preliminary Statement of Policy Cost are based on the assumption that the proposed policy is issued as applied for. Adjustments will be necessary if the policy is actually issued on some other basis.

Proposed

Agent: _____ Insured _____

Age: _____ Sex _____

Prepared _____ on:

31.05: continued

(2) The insurer shall provide a Buyer's Guide and a Policy Summary to any prospective purchaser upon request.

(3) In the case of policies whose Equivalent Level Death Benefit does not exceed \$5,000, the requirement for providing a Policy Summary will be satisfied by delivery of a written statement containing the information described in § 4(G), items 2, 3, 4, 5a, 5b, 5c, 6, 7, 10, 11.

31.06: General Rules

(1) Each insurer shall maintain at its home office or principal office, a complete file containing one copy of each form authorized by the insurer for use pursuant to 211 CMR 31.00. Such file shall contain one copy of each authorized form for a period of three years following the date of its last authorized use.

(2) An agent shall inform the prospective purchaser, prior to commencing a life insurance sales presentation, that he is acting as a life insurance agent and inform the prospective purchaser of the full name of the insurance company which he is representing to the buyer. In sales situations in which an agent is not involved, the insurer shall identify its full name.

(3) Terms such as financial planner, investment advisor, financial consultant, or financial counseling shall not be used in such a way as to imply that the insurance agent is generally engaged in an advisory business in which compensation is unrelated to sales unless such is actually the case.

(4) Any reference to policy dividends must include a statement that dividends are not guaranteed.

(5) A system or presentation which does not recognize the time value of money through the use of appropriate interest adjustments shall not be used for comparing the cost of two or more life insurance policies. Such a system may be used for the purpose of demonstrating the cash-flow pattern of a policy if such presentation is accompanied by a statement disclosing that the presentation does not recognize that, because of interest, a dollar in the future has less value than a dollar today.

(6) A presentation of benefits shall not display guaranteed and non-guaranteed benefits combined in a single sum unless the guaranteed portion is shown separately in close proximity thereto.

(7) A statement regarding the use of the Life Insurance Cost Indexes shall include an explanation to the effect that the indexes are useful only for the comparison of the relative costs of two or more similar policies.

(8) A Life Insurance Cost Index which reflects dividends or an Equivalent Level Annual Dividend shall be accompanied by a statement that it is based on the company's current dividend scale and is not guaranteed.

(9) For the purposes of 211 CMR 31.00, the annual premium for a basic policy or rider, for which the company reserves the right to change the premium, shall be the maximum annual premium.

31.07: Failure to Comply

Failure of an insurer to provide or deliver a Buyer's Guide, or a Policy Summary as provided in § 5 shall constitute an omission which misrepresents the benefits, advantages, conditions or terms of an insurance policy.

211 CMR: DIVISION OF INSURANCE

31.08: Effective Date

211 CMR 31.00 shall apply to all solicitations of life insurance which commence on or after October 1, 1980.

REGULATORY AUTHORITY

211 CMR 31.00: M.G.L. chs. 175 and 176D, § 11.

APPENDIX

Life Insurance Buyer's Guide

The face page of the Buyer's Guide shall read as follows:

Life Insurance Buyer's Guide

This guide can show you how to save money when you shop for life insurance. It helps you to:

- Decide how much life insurance you should buy,
- Decide what kind of life insurance policy you need, and
- Compare the cost of similar life insurance policies.

Prepared by the National Association of Insurance Commissioners

Reprinted by (Company Name)

(Month and year of printing)

The Buyer's Guide shall contain the following language at the bottom of page 2:

The National Association of Insurance Commissioners is an association of state insurance regulatory officials. This association helps the various Insurance Departments to coordinate insurance laws for the benefit of all consumers. You are urged to use this Guide in making a life insurance purchase.

This Guide Does not Endorse Any Company or Policy: The remaining text of the Buyer's Guide shall begin on page 3 as follows:

Buying Life Insurance: When you buy life insurance, you want a policy which fits your needs without costing too much. Your first step is to decide how much you need, how much you can afford to pay and the kind of policy you want. Then, find out what various companies charge for that kind of policy. You can find important differences in the cost of life insurance by using the life insurance cost indexes which are described in this guide. A good life insurance agent or company will be able and willing to help you with each of these shopping steps. If you are going to make a good choice when you buy life insurance, you need to understand which kinds are available. If one kind does not seem to fit your needs, ask about the other kinds which are described in this guide. If you feel that you need more information than is given here, you may want to check with a life insurance agent or company or books on life insurance in your public library.

Choosing the Amount: One way to decide how much life insurance you need is to figure how much cash and income your dependents would need if you were to die. You should think of life insurance as a source of cash needed for expenses of final illnesses, paying taxes, mortgages or other debts. It can also provide income for your family's living expenses, educational costs and other future expenses. Your new policy should come as close as you can afford to making up the difference between (1) what your dependents would have if you were to die now, and (2) what they would actually need.

Choosing the Right Kind: All life insurance policies agree to pay an amount of money if you die. But all policies are not the same. There are three basic kinds of life insurance.

1. Term insurance
2. Whole life insurance
3. Endowment insurance

Remember, no matter how fancy the policy title or sales presentation might appear, all life insurance policies contain one or more of the three basic kinds. If you are confused about a policy that sounds complicated, ask the agent or company if it combines more than one kind of life insurance. The following is a brief description of the three basic kinds:

Term Insurance: Term insurance is death protection for a "term" of one or more years. Death benefits will be paid only if you die within that term of years. Term insurance generally provides the largest immediate death protection for your premium dollar. Some term insurance policies are "renewable" for one or more additional terms even if your health has changed. Each time you renew the policy for a new term, premiums will be higher. You should check the premiums at older ages and the length of time your policy can be continued.

Appendix: continued

Some term insurance policies are also "convertible". This means that before the end of the conversion period, you may trade the term policy for a whole life or endowment insurance policy even if you are not in good health. Premiums for the new policy will be higher than you have been paying for the term insurance.

Whole Life Insurance: Whole life insurance gives death protection for as long as you live. The most common type is called "straight life" or "ordinary life" insurance, for which you pay the same premiums for as long as you live. These premiums can be several times higher than you would pay initially for the same amount of term insurance. But they are smaller than the premiums you would eventually pay if you were to keep renewing a term insurance policy until your later years.

Some whole life policies let you pay premiums for a shorter period such as 20 years, or until age 65. Premiums for these policies are higher than for ordinary life insurance since the premium payments are squeezed into a shorter period. Although you pay higher premiums, to begin with, for whole life insurance than for term insurance, whole life insurance policies develop "cash values" which you may have if you stop paying premiums. You can generally either take the cash, or use it to buy some continuing insurance protection. Technically speaking, these values are called "nonforfeiture benefits". This refers to benefits that do not lose (or "forfeit") when you stop paying premiums. The amount of these benefits depends on the kind of policy you have, its size, and how long you have owned it.

A policy with cash values may also be used as collateral for a loan. If you borrow from the life insurance company, the rate of interest is shown in your policy. Any money which you owe on a policy loan would be deducted from the benefits if you were to die, or from the cash value if you were to stop paying premiums.

Endowment Insurance: An endowment insurance policy pays a sum or income to you - the policyholder - if you live to a certain age. If you were to die before then, the death benefit would be paid to your beneficiary. Premiums and cash values for endowment insurance are higher than for the same amount of whole life insurance. Thus endowment insurance gives you the least amount of death protection for your premium dollar.

Finding a Low Cost Policy: After you have decided what kind of life insurance fits your needs, look for a good buy. Your chances of finding a good buy are better if you use two types of index numbers that have been developed to aid in shopping for life insurance. One is called the "Surrender Cost Index" and the other is the "Net Payment Cost Index". It will be worth your time to try to understand how these indexes are used, but in any event, use them only for comparing the relative costs of similar policies. **LOOK FOR POLICIES WITH LOW COST INDEX NUMBERS.**

What is Cost? "Cost" is the difference between what you pay and what you get back. If you pay a premium for life insurance and get nothing back, your cost for the death protection is the premium. If you pay a premium and get something back later on, such as a cash value, your cost is smaller than the premium.

The cost of some policies can also be reduced by dividends; these are called "participating" policies. Companies may tell you what their current dividends are, but the size of future dividends is unknown today and cannot be guaranteed. Dividends actually paid are set each year by the company.

Some policies do not pay dividends. These are called "guaranteed cost" or "non-participating" policies. Every feature of a guaranteed cost policy is fixed so that you know in advance what your future cost will be.

The premiums and cash values of a participating policy are guaranteed, but the dividends are not. Premiums for participating policies are typically higher than for guaranteed cost policies, but the cost to you may be higher or lower, depending on but the cost to you may be higher or lower, depending on the dividends actually paid.

Appendix: continued

What are Cost Indexes? In order to compare the cost of policies, you need to look at:

1. Premiums
2. Cash Values
3. Dividends

Cost indexes use one or more of these factors to give you a convenient way to compare relative costs of similar policies. When you compare costs, an adjustment must be made to take into account that money is paid and received at different times. It is not enough to just add up the premiums you will pay and to subtract the cash values and dividends you expect to get back.

These indexes take care of the arithmetic for you. Instead of having to add, subtract, multiply and divide many numbers yourself, you just compare the index numbers which you can get from life insurance agents and companies:

1. Life Insurance Surrender Cost Index. This index is useful if you consider the level of the cash values to be of primary importance to you. It helps you compare costs if at some future point in time, such as ten or 20 years, you were to surrender the policy and take its cash value.
2. Life Insurance Net Payment Cost Index. This index is useful if your main concern is the benefits that are to be paid at your death and if the level of cash values is of secondary importance to you. It helps you compare costs at some future point in time, such as ten or 20 years, if you continue paying premiums on your policy and do not take its cash value.

There is another number called the Equivalent Level Annual Dividend. It shows the part dividends play in determining the cost index of a participating policy. Adding a policy's Equivalent Level Annual Dividend to its cost index allows you to compare total costs of similar policies before deducting dividends. However, if you make any cost comparisons of a participating policy with a non-participating policy, remember that the total cost of the participating policy will be reduced by dividends, but the cost of the non-participating policy will not change.

How Do I Use Cost Indexes? The most important thing to remember when using cost indexes is that a policy with a small index number is generally a better buy than a comparable policy with a larger index number. The following rules are also important:

- (1) Cost comparisons should only be made between similar plans of life insurance. Similar plans are those which provide essentially the same basic benefits and require premium payments for approximately the same period of time. The closer policies are to being identical, the more reliable the cost comparison will be.
- (2) Compare index numbers only for the kind of policy, for your age and for the amount you intend to buy. Since no one company offers the lowest cost for all types of insurance at all ages and for all amounts of insurance it is important that you get the indexes for the actual policy, age and amount which you intend to buy. Just because a "Shopper's Guide" tells you that one company's policy is a good buy for a particular age and amount, you should not assume that all of that company's policies are equally good buys.
- (3) Small differences in index numbers could be offset by other policy features, or differences in the quality of service you may expect from the company or its agent. Therefore, when you find small differences in cost indexes, your choice should be based on something other than cost.
- (4) In any event, you will need other information on which to base your purchase decision. Be sure you can afford the premiums, and that you understand its cash values, dividends and death benefits. You should also make a judgment on how well the life insurance company or agent will provide service in the future, to you as a policyholder.
- (5) These life insurance cost indexes apply to new policies and should not be used to determine whether you should drop a policy you have already owned for awhile, in favor of a new one. If such a replacement is suggested, you should ask for information from the company which issued the old policy before you take action.

Appendix: continued

Important Things to Remember - A Summary: The first decision you must make when buying a life insurance policy is choosing a policy whose benefits and premiums most closely meet your needs and ability to pay. Next, find a policy which is also a relatively good buy. If you compare Surrender Cost Indexes and Net Payment Cost Indexes of similar competing policies, your chances of finding a relatively good buy will be better than if you do not shop. **REMEMBER, LOOK FOR POLICIES WITH LOWER COST INDEX NUMBERS.** A good life insurance agent can help you to choose the amount of life insurance and kind of policy you want and will give you cost indexes so that you make cost comparisons of similar policies.

Don't buy life insurance unless you intend to stick with it. A policy which is good buy when held for 20 years can be very costly if you quit during the early years of the policy. If you surrender such a policy during the first few years, you may get little or nothing back, and much of your premium may have been used for company expenses.

Read your new policy carefully, and ask the agent or company for an explanation of anything you do not understand. Whatever you decide now, it is important to review your life insurance program every few years to keep up with changes in your income and responsibilities.

NON-TEXT PAGE